



5023/015
RECEIVED 7/18/97
T. M. N. S. O. W.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 1

ISSUED IN Salt Lake City, Utah on 01 JUL 1997

BENEFICIARY:

Forest Service - USDA
Uintah National Forest
44 West 400 North
Spanish Fork, Utah 84660

APPLICANT:

TRIUMPH MINING CORPORATION
436 SOUTH 200 WEST
NEPHI, UTAH 84648

AMOUNT: USD ***40,000.00
FORTY THOUSAND AND 00/100 UNITED
STATES DOLLARS

DATE AND PLACE OF EXPIRY:
27 JUN 1998
Our Counters

We hereby establish this irrevocable letter of credit in your favor for account of Triumph Mining Corporation, 436 South 200 West, Nephi, Utah 84648 up to the aggregate amount of FORTY THOUSAND AND NO/100 U.S. DOLLARS to secure the performance on MacFarlane No. 1 and No. 4 and Little Dr. Patented Mining Claims Sec. 22-23 and 31 Township 12 South Range 1 East S.L.M.B. Said funds are available by presentation of your draft(s) drawn on us at sight, clearly referencing this letter of credit number and accompanied by:

1. Your signed statement stating: "I/We hereby certify that Triumph Mining Corporation has failed to perform in accordance with terms and conditions of MacFarlane No. 1 and No. 4 and Little Dr. Patented mining claims."

2. This original Letter of Credit.

All drafts drawn must be marked: "Drawn under Letter of Credit No. 1 issued by First Security Bank of Utah, N.A. on July 1, 1997".

Except so far as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500.

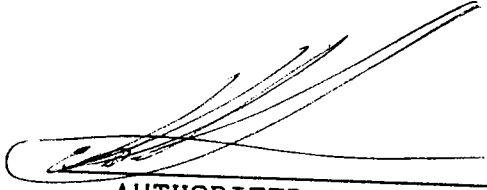


L/C #:
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PARTIAL DRAWINGS PERMITTED.

MULTIPLE DRAWINGS PERMITTED.

We hereby agree to honor each draft drawn under and in compliance with the terms of this credit, if duly presented (together with the documents as specified) at our office on or before the expiry date of this credit.



AUTHORIZED SIGNATURE(S)